

EXHIBIT 1

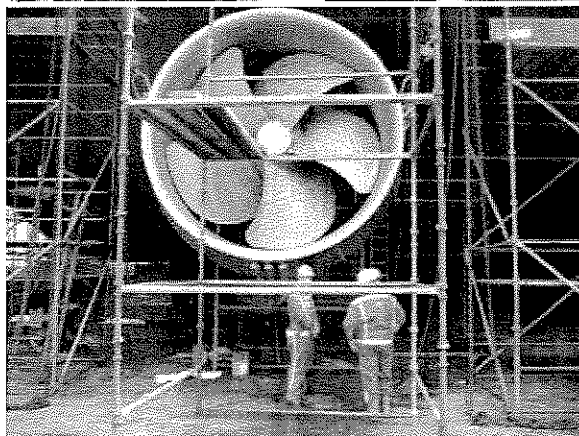
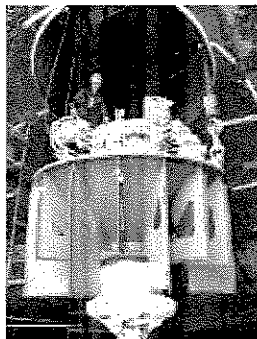
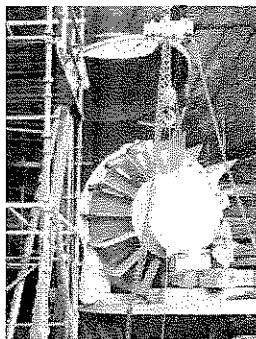
**FAIRMOUNT HEAVY TRANSPORT NV
BOARD OF DIRECTORS' REPORT TO SHAREHOLDERS
FIRST QUARTER 2007**

In the first quarter Fairmount Heavy Transport N.V. (FHT) made steady forward progress towards our future as one of the leading providers of offshore heavy transportation services.

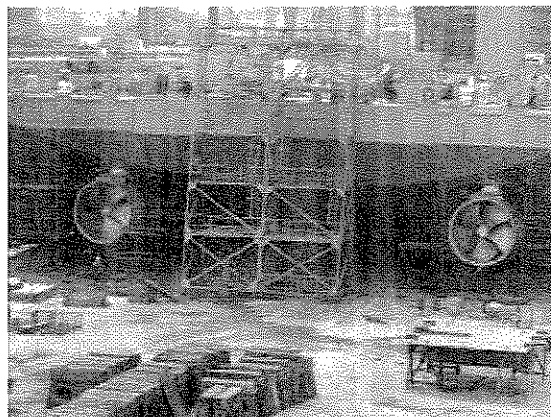
Conversion

The conversion of the FJORD is the primary focus of the company. The original planning and organization of the project was poorly executed and contributed to the delays that we recognize are of great concern to our various stakeholders. The management of the project is now being supervised directly by the company. This change has significantly improved the ability of the company to monitor progress and mitigate the risks of further delays. The vessel is scheduled to be re-floated in week 20. This is an important milestone and we are determined to achieve it. Once this milestone has been met, the commissioning of the various systems will accelerate and a final date for sea trials can be set.

The FJELL is expected to arrive in Malta by the end of May. We anticipate that the conversion process of the FJELL will be significantly smoother, being able to take advantage of the lessons of the FJORD conversion.



Starboard propulsion thruster being installed



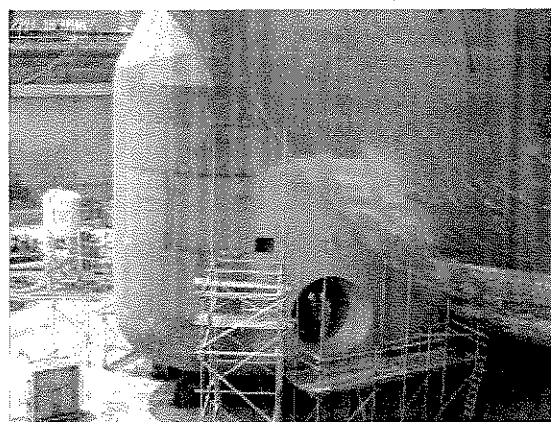
Aft thrusters being installed

The anticipated total cost for both vessels is USD 136 million for both vessels (USD 68 million per vessel). This includes the purchase of the barges, the cost of converting them to self-propelled vessels as well as the costs associated with important changes made to the vessels to further improve the safety levels and operational effectiveness.

Commercial

With better insight into the re-delivery date of the FJORD, the Company has entered into active tendering and negotiations for transportation projects for the FJORD.

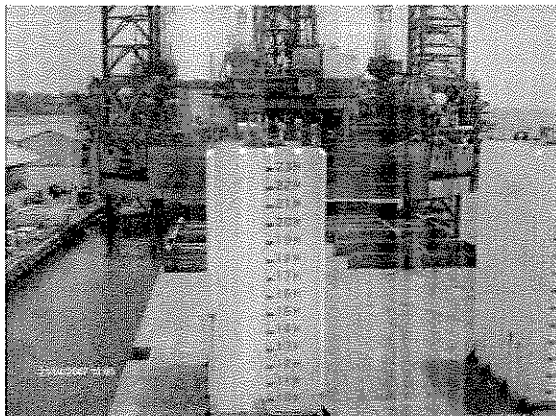
FHT has negotiated a settlement of the outstanding litigation/arbitration with Oceanografia. The accounting impact of this settlement will be favourable in our Q1 results. Net of legal expenses we expect to realise approximately US\$ 900,000 in profits to our bottom line.



Bow thruster being installed in the bulbous bow

Operations

Since December 2006, the FJELL was fully occupied throughout the first quarter by Transocean, for the temporary dry-docking for the Transocean Trident 14 jack-up off the coast of Cameroon. On 21 April 2007, the joint team comprising the client and Fairmount Marine's Operations team, successfully off-loaded the rig. This project demonstrated the Operation team's professional attitude and technical expertise in a complex project, executed under tough conditions. Due to the extended duration of the project, the total revenue for the project is well beyond the USD 3.3 million originally budgeted for the project.



Transocean's T14 being off-loaded from the FJELL

Financials

In the first quarter 2007, the Company had gross revenues of USD 5.8 million, time-charter equivalent revenues of USD 5.1 million and EBITDA of USD 4.1 million. Both revenue and EBITDA exceed the originally budgeted amounts. Please find attached the consolidated condensed financial statements for the first quarter 2007.

Shareholders

FHT currently has over 250 shareholders. This quarter the share traded between NOK 27 and 32 per share. The share is currently trading around NOK 29.

The Company's Annual General Meeting was held on 26 March 2007. All agenda items were adopted by the meeting. Three items were withdrawn from the agenda because there was insufficient quorum at the meeting to vote on these items. On 24 April 2007, an Extraordinary General Meeting was convened for these three items. All three agenda items were adopted by the meeting. See www.fairmountht.nl for more information.

Organisation

Fairmount Maritime Services BV, FHT's wholly owned subsidiary, has continued to hire experienced off shore heavy transport professionals. Given the worldwide shortage of experienced offshore energy personnel, FHT is pleased to report its success in securing some of the best in the industry as new members of our team.

Health, Safety and Environment (HSE)

HSE and quality are an integral element in FHT's business practice. We are pleased to report that there are no serious incidents this quarter.

Road ahead

The market for offshore heavy transport is robust. Day rates continue to remain at attractive high rates and appear to be correlative with the drilling rates being achieved by our primary customer base. The last few months have seen active M&A activity in the industry. The merger of Dockwise and SeaLift has resulted in a large dominant carrier with a combination of open-deck vessels and converted tankers. These parties have indicated utilisation rates of 95% and day rates of USD 100,000 per day for similar vessels. Although we consider this to be slightly aggressive, it validates our view that the current market provides the opportunity to create significant value for our shareholders, well above the amount presented in our original prospectus.

We believe our company is well positioned to compete. The company's vessels will be the most modern, sophisticated, purpose-built semi-submersible vessels on the market. The vessels will have several operational and design advantages over converted tankers in terms of age, reliability and size which, in the view of management, give our Company significant competitive advantages to pursue the most valuable and complex off-shore transport opportunities.

For more information please contact us:

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Fairmount Heavy Transport N.V.
First Quarter 2007

Consolidated Condensed Balance Sheet	31-Mar-07	31-Dec-06
	USD 1,000	USD 1,000
ASSETS		
Fixed assets	99,986	95,592
Currents assets	18,934	17,635
TOTAL ASSETS	118,920	113,227
LIABILITIES		
Non-current liabilities	50,166	48,034
Current liabilities	4,517	4,637
Equity	64,237	60,556
EQUITY & LIABILITIES	118,920	113,227

Consolidated Income Statement	Q1 2007	Q1 2006
	USD 1,000	USD 1,000
Gross revenue	5,837	2,173
Voyage related costs	-702	-1,774
Time charter equivalent	5,135	399
Other income	73	0
Vessel operating expenses	-359	-315
G&A	-674	-462
Operating expenses, other than depreciation & amortisation	-1,033	-777
EBITDA	4,175	-378
Depreciation	-215	-462
Operating result before financing costs	3,960	-840
Net financing income/expense	289	-2
Result before tax	4,249	-842
Income tax	-	-
Result after tax	4,249	-842
Weighted average number of ordinary shares	32,990,000	30,000,000
Basic earnings per share	0.13	-0.03
Diluted earnings per share	0.13	-0.03

Consolidated Condensed Cash Flow Statement	Q1 2007	Q1 2006
	USD 1,000	USD 1,000
Result after tax	4,249	-842
Share-based payments	60	0
Depreciation/Amortisation	215	462
Cash flows from operating activities	4,524	-380
Changes in working capital	-313	810
Net cash from operating activities	4,211	430
Net cash from investing activities	-4,609	-9,399
Cash flow from financing activities	2,132	8,106
Net increase in cash and cash equivalents	1,734	-863
Cash and cash equivalent as per opening balance	12,930	1,427
Cash and cash equivalents per closing balance	14,664	564

Consolidated Statement of Recognised Income and Expense	Q1 2007	Q1 2006
	USD 1,000	USD 1,000
Result for the period	4,249	-842
Change in valuation of derivative financial instruments	-628	0
Net expenses recognised directly in equity	0	0
Total recognised income and expenses for the period	3,621	-842
Attributable to Equity holders	3,621	-842

Fairmount Heavy Transport N.V.**Notes****Unaudited figures**

This quarterly financial information has not been audited

Statement of compliance

The interim financial information has been prepared in accordance with IAS34, using IFRS as endorsed in the EU and its interpretations adopted by the International Accounting Standards Board.

Condensed format

The interim financial information has been prepared in a condensed format, omitting most disclosures that are required to comply with IFRS when publishing a full set of financial statements, based on the assumption that the prior year financial statement has been filed and that accounting principles have not been changed since then.

Time-charter Equivalent

Time-charter equivalent revenue includes the proceeds of the settlement of the litigation/arbitration with Oceanografia.

Derivate financial instruments

Foreign currency forward contracts with a fair value of USD 1,473,000 have been used to hedge the cash flow exposures arising from US dollar / Euro exchange rate fluctuations on forecast Euro conversion costs over the next 8 months. Cash flow hedge accounting is applied to these forward contracts. The notional amount of the forward contracts is USD 33 million. Interest swap agreements with a negative fair value of USD 1,354,000 are used to achieve an appropriate mix of fixed and floating rate exposure within the Company's risk policy. The swaps mature over the next 8 years following the maturity of the related loans and have fixed swap rates ranging from 6.3% to 6.4%. At 31 March 2007, the Company had interest swaps with a notional contract amount of USD 76 million.

Equity**Statement of changes in equity**

Movements were:

	Total
	USD 1,000
Balance sheet as at 31 December 2006	60,556
Result for the period	4,249
Change in valuation of derivate financial instruments	-628
Mutation share-based payments reserve	60
Balance sheet as at 31 March 2007	64,237

Capital commitments

As per 31 March 2007, the Company entered into a contracts with total capital commitments amounting to MUSD 26 which are not included in the balance sheet. These capital commitments will be financed through the long term loan and equity.

Related parties**Transactions with management**

The Management Board of the Company and their immediate relatives control 0.08% of the voting shares of the Company either directly or indirectly. Details are:

C.J.C. du Marchie Sarvaas	31-Mar-07
	0.08%

Management board remuneration

Total remuneration is included in G&A (including share-based payments)

USD 1,000
134

Transactions with Fairmount Marine B.V.**Management agreement**

The Company entered into a Management Agreement with Fairmount Marine B.V. on 20 July 2006 to provide technical and commercial management during both the conversion phase and the subsequent operational phase. In the period ending 31 March 2007, USD 291,840 was invoiced by Fairmount Marine B.V. to the Company under the Management Agreement.

Other related party transactions

In Q1 2007 there were no other transactions with Fairmount Marine B.V.